

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Complaints
	CORRESPONDENCE SYMBOL TMG
	DATE July 12, 2012

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 2-12

TO: ETA GRANT RECIPIENTS

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: Employment and Training Administration (ETA) Grant Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct

1. **Purpose.** To transmit procedures to be used by all ETA grant recipients for reporting allegations of fraud, program abuse or criminal conduct involving grantees or other entities and subrecipients receiving Federal funds either directly or indirectly from ETA.

2. **References.**
 - Workforce Investment Act of 1998, as amended (Pub. L. 105-220);
 - 20 CFR 667.500, “What procedures apply to the resolution of findings arising from audits, investigations, monitoring and oversight reviews”;
 - 20 CFR 667.630, “How are complaints and reports of criminal fraud and abuse addressed under WIA”;
 - 29 CFR Part 0, “Ethics and Conduct of Department of Labor Employees”; and
 - Employment and Training Order No. 1-10, *Employment and Training Procedures for Reporting and Acting on Instances of Suspected Fraud, Program Abuse, and Criminal Conduct Involving Grantees and Contractors.*

3. **Background.** The detection and prevention of fraud and abuse in programs authorized by the Department of Labor (Department) are of the highest priority. Therefore, systematic procedures for reporting instances of suspected or actual fraud, abuse or criminal conduct are vital. States, local governments and grantees may become aware of actual, potential or suspected fraud; gross mismanagement or misuse of program funds; conduct violations; violations of regulations; and, abuse in ETA programs and operations provided by ETA grantees. This Training and Employment Guidance Letter (TEGL) will provide the Department’s policy and procedures for reporting and investigating allegations of wrongdoing or misconduct to include allegations of suspected fraud, program abuse, and criminal conduct involving grantees and other recipients or subrecipients of Federal funds from ETA.

RESCISSIONS TEGL 6-84	EXPIRATION DATE Continuing
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The Incident Report (IR) form, Office of Inspector General (OIG) 1-156, is the official form used within the Department for reporting allegations of criminal and other illegal or improper activities in ETA funded programs. Allegations are reported to the OIG and, within ETA, to the Office of Financial and Administrative Management (OFAM) and the Office of Regional Management. Incidents reported using the IR form may involve allegations of fraud, misfeasance, nonfeasance or malfeasance; allegations involving misapplication of funds; allegations of gross mismanagement; allegations of employee/participant misconduct; and, other potential or suspected criminal actions.

When the OIG receives an IR, they determine whether the allegations have merit and, when appropriate, conduct or arrange for an investigation and/or audit. If the OIG determines that the case does not have investigative or audit merit, the case is referred back to ETA for resolution.

- 4. Scope and Application.** This TEGL sets forth the procedures that ETA Grant Recipients must follow for notifying the appropriate Administrators of known or suspected cases of criminal and other illegal or improper activities involving grantees and other recipients or subrecipients of Federal funds from ETA.

In addition to the ETA process set forth in this TEGL, the OIG operates a Hotline to receive and process allegations of fraud, waste and abuse concerning Department grants programs and operations. Allegations received directly through the Hotline, and written complaints from the public pertaining to ETA, are referred by the OIG to OFAM, when appropriate.

- 5. Responsibilities.** Grant recipients are responsible for following the procedures set forth in this TEGL. Grant recipients must immediately document allegations, suspicions and complaints involving possible fraud, program abuse and criminal misconduct using the IR form. In addition, situations involving imminent health or safety concerns, or the imminent loss of funds exceeding an amount larger than \$50,000 (e.g. \$500,000), are considered emergencies and must immediately be reported to the OIG and OFAM by telephone and followed up with a written report in the form of an IR, no later than one working day after the telephone report.
- 6. Hotline Referrals.** OFAM must screen and record all Hotline referrals from the OIG pertaining to ETA and send the referrals to the appropriate Regional Administrator, Office of Apprenticeship Regional Director or National Office Administrator (RA/RD/NOA) for action. The RA/RD/NOA must send OFAM an initial response to all hotline referrals no later than two weeks after receiving the referral, and must continue to provide updates in the quarterly tracking report until the complaint is closed and a final response sent to OFAM. No action of any kind will be taken against the complainant for providing information in accordance with these procedures.
- 7. Prohibition and Reprisals.** No action will be taken against any complainant for disclosing information concerning criminal or improper activities or making a valid complaint to proper authorities. Complainants may remain anonymous. If a complainant considers that his/her position will be compromised by reporting information through the IR system, he/she may send the report directly to the OIG or OFAM.

8. **Action Requested.** Grant recipients must be familiar with the content of this TEGl and follow the procedures set forth herein for documenting, immediately reporting to the OIG, and following-up on instances of alleged, suspected or known fraud, program abuse and criminal misconduct involving grantees and other recipients or subrecipients of Federal funds from ETA.
9. **Inquiries.** Questions concerning this TEGl may be directed to the Associate Deputy Administrator for Office of Grants Management, Laura P. Watson, at (202) 693-3333.
10. **Attachments.**
 - Attachment A - Definitions
 - Attachment B - Glossary of Acronyms
 - Attachment C - Incident Report Form OIG 1-156 and instructions
 - Attachment D - OIG Contact Information